

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1862
ANSWERED ON:29.11.2002
CLOSURE OF TEA GARDENS
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

:

(a) whether the Government are aware that a large number of tea plantations in several parts especially in North Bengal and Kerala have been abandoned by the tea companies;

(b) if so, the details thereof and the reasons therefor;

(c) the number of workers affected as a result thereof, State-wise;

(d) whether the Union Government or State Governments have taken any steps to solve the labour problems and other consequences arising out of this account; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a)to(c): Some tea gardens in North Bengal, Assam, Tripura and Kerala have been locked out/abandoned by the tea companies mainly due to a continuous fall in tea prices over the last few years, coupled with high cost of production, which has adversely affected their economy. This has resulted in delays and sometimes non-payment of wages and supply of ration to the plantation workers causing labour unrest. Statewise details of the number of tea estates abandoned/under lock out and the number of affected workers are given below :

Name of the State	No. of tea gardens	No. of workers affected
abandoned/under lock out		

West Bengal	12	13050
Assam	03	2526
Tripura	04	560
Kerala	06	3250

In addition, 5 estates in Kerala involving about 2500 workers are being run by the workers and the staff in the absence of the management.

(d) & (e): The Government of India has enacted various Acts and Rules to safeguard the interest of labour in India. The Plantation Labour Act and the Rules framed there under govern the various facilities for the tea plantations workers and regulates conditions of work in tea plantations. State Governments are the appropriate authorities to provide various benefits under the Plantation Labour Act, including monitoring of the progress of the various facilities to be provided to the plantation workers under the said Act. The State Government of Kerala have taken steps to provide immediate relief to affected plantation workers which include distribution of free rice to the workers, provision of medical care, education and other basic facilities besides deferment of Agricultural Income Tax. As the present crisis in the tea plantation industry is on account of unremunerative prices for tea, Government of India have taken a number of steps to help the tea industry, which include the following:-

- Excise duty on tea has been reduced from Rs. 2 per Kg. to Rs. 1 per Kg. in the Budget 2002-2003.
- The allowance under Section 33 AB of Income Tax Act has been increased from 20% to 40% in the Budget 2001-02.
- A Quality Upgradation Programme is being implemented by the Tea Board for improving quality of tea manufactured by small growers in the country.
- Tea Marketing (Control) Order 1984 has been modified to remove the condition of obligatory sale of 75% of tea production through public tea auctions. The producers of tea are now free to sell their teas anywhere.
- The basic customs duty on import of tea has been increased from 70% to 100% as announced in the Budget of 2002-2003.
- As part of the Medium Term Export Strategy, a communication campaign to promote Indian tea and the logo developed by Tea Board has been launched in Russia recently
- A Factory upgradation Scheme has been implemented by the Tea Board to encourage production of good quality orthodox and non reconditioned CTC teas in the country.
- Government has also provided financial incentives to the exporters of tea for meeting part of cost of handling, packaging, transport/freight charges.
- The sale of tea in the Domestic Tariff Area by 100% Export Oriented Units (EOUs) and units in Export Processing Zones (EPZs) is banned.
- A generic promotion campaign has been launched for improving the consumption of tea within the country.
- A relief package has been announced by RBI, which provides for restructuring/reschedulement of the loans outstanding in the tea sector from the commercial banks etc.